

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : **Chapter 11**
: **Case Nos. 00-B-41065 (SMB)**
RANDALL'S ISLAND FAMILY GOLF : **through 00-B-41196 (SMB)**
CENTERS, INC., et. al., :
: **(Jointly Administered)**
Debtors. :
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**SOLICITATION FOR BIDS ON THE DEBTORS' INTEREST
IN CERTAIN (i) FEE PROPERTIES,
(ii) LEASES OF NON-RESIDENTIAL REAL PROPERTY
AND (iii) OTHER ASSETS AND TERMS AND CONDITIONS OF AUCTION**

TO ALL INTERESTED PARTIES:

PLEASE TAKE NOTICE that there shall be a two step auction process (i.e., sealed bid auction followed by an open auction for Qualified Bids, as defined below) (the "Auction") at The Sheraton, 811 Seventh Avenue, New York, New York 100189, on February 9, 2001 at 9:00 a.m. with respect to the Assets (as defined below) of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") relating to the assets set forth on the attached Exhibit A (collectively, the "Assets").¹ This Auction is being held in connection with the Motion of the Debtors and Debtors-in-Possession Pursuant to sections 105, 363(b) and (f) and 365 of the

¹ The Debtors reserve the right to withdraw any Assets from the Auction. To the extent that the Debtors reject or dispose of any Assets prior to the Auction, such Assets shall not be included in the Auction notwithstanding the inclusion of such Assets at this time. Personal property will be included in the Assets; however, the Debtors intend to reject leases of personal property related to the Assets.

Bankruptcy Code and Bankruptcy Rules 2002 and 6004 for an Order: (a) Authorizing and Scheduling an Auction for the Sale of the Debtors' Assets; (b) Approving the Terms and Conditions of Such Auction, Including Bidding Procedures Relating Thereto; and (c) Establishing Deadline for Submission of Cure Amounts and Other Material Information Relating to Leasehold Interests and Statements of Mortgagee Principal and Interest (the "Motion"). All inquiries concerning the Assets should be made to the Debtors' real estate consultant, Keen Realty Consultants, Inc. ("Keen"), 60 Cutter Mill Road, Suite 407, Great Neck, New York 10021-3104, Attn: Harold J. Bordwin (telephone-(516) 482-2700); (facsimile-(516) 482-5764).

PLEASE TAKE FURTHER NOTICE that the Auction will be subject to the bidding procedures set forth below.

PLEASE TAKE FURTHER NOTICE that the Debtors will seek, among other things, entry of an order (i) approving the rejection of certain leases of real and personal property, (ii) approving the assumption and assignment of certain real property leases to the Successful Bidder(s) (as defined below) with the consent of the landlord, and (iii) approving proposed sales to successful Bidder(s), and any other issues relating to the Auction (except for matters to be heard at the Disputes Hearing, described below) at a hearing (the "Hearing") to be held before The Honorable Stuart M. Bernstein, Chief United States Bankruptcy Judge, at the **United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004** (the "Court"), on **February 14, 2001 at 10:00 a.m.** (Eastern Standard Time). **Any objections to any of the matters**

² Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

to be taken up at the Hearing shall, not less than three (3) business days prior to the Hearing, be filed with the Court and served upon (i) the Debtors' counsel, Golenbock, Eiseman, Assor & Bell, 437 Madison Avenue, New York, New York 10022, Attn: Jonathan L. Flaxer (telephone (212) 907-7327); (facsimile (212) 907-0777), (ii) counsel to the Unsecured Creditors Committee, Berlack, Israel & Liberman, 120 West 45th Street, New York, New York 10036, Attn: Edward S. Weisfelner (telephone-(212) 704-0100); (facsimile-(212) 704-0196), (iii) counsel to The Chase Manhattan Bank, Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178, Attn: Richard S. Toder (telephone-(212) 309-6052); (facsimile: (212) 309-6273); and (iv) the Office of the United States Trustee,, 33 Whitehall Street, 21st floor, New York, New York 10004 Attn: Brian Shoichi Masumoto.

PLEASE TAKE FURTHER NOTICE that a hearing (the "Disputes Hearing") will be held before the Court on February 14, 2001 at 10:00 a.m. (Eastern Standard Time) and, if necessary, February 16, 2001 at 10:00 a.m. (Eastern Standard Time) to resolve any dispute regarding (i) Arrears Statements (defined below) submitted by landlords and (ii) objections to assignments of leases pursuant to Assignment and Assumption Agreements. Objections by the Debtors to Arrears Statement(s) or any objections to proposed lease assignments shall be filed with the Court and served not less than three (3) business days prior to the Disputes Hearing upon (i) the Debtors' counsel, Golenbock Eiseman Assor & Bell, (ii) counsel to the Unsecured Creditors Committee, Berlack, Israel & Liberman, LLP, (iii) counsel for The Chase Manhattan Bank, Morgan, Lewis & Bockius, LLP and (iv) the Office of the United States Trustee.

BIDDING PROCEDURES

A. STEP ONE: Sealed Bid Deadline: February 5, 2001

1. The Debtors seek to solicit bids for the sale of their interest in each of the Assets (“Bids”). In order to solicit the highest and best bids, the Debtors are conducting a two-step auction process. The first step is the submission of binding, sealed bids in the form of the “Required Bid Documents” (as described below) (“Bids”). Bidders who have qualified to participate in the second and final round of bidding will be identified from the sealed Bids. The second and final step is an open outcry auction that is open only to those “Bidders” (as described below) who have submitted “Qualified Bids” (as described below). The Required Bid Documents must be submitted as to be actually received by no later than **February 5, 2001 at 3:00 p.m. E.S.T.]** (the “Bid Deadline”). The original set of the Required Bid Documents (including the “Deposit”, as defined below) must be submitted to:

counsel for the Debtors:

Golenbock, Eiseman, Assor & Bell
437 Madison Avenue
New York, New York 10022
Attn: Jonathan L. Flaxer
(telephone-(212) 907-7327)
(facsimile-(212) 907-0777)

with copies to:

(a) the Debtors’ real estate consultant:

Keen
60 Cutter Mill Road, Suite 407
Great Neck, New York 10021
Attn: Harold J. Bordwin
(facsimile-(516) 482-5764)

(b) counsel for the Unsecured Creditors Committee:

Berlack, Israels & Liberman, LLP
120 West 45th Street
New York, New York 10036
Attn: Edward S. Weisfelner
(telephone-(212) 704-0100)
(facsimile-(212) 704-0196)

(c) counsel for The Chase Manhattan Bank, as Agent (“Chase”):

c/o Morgan, Lewis & Bockius
101 Park Avenue, New York, New York 10178
Attn: Richard S. Toder
(facsimile: (212) 309-6273)

and

(d) the Debtors:

c/o Family Golf Centers, Inc.
538 Broadhollow Road, Suite 410E
Melville, New York 11747
Attn: Philip J. Gund
(facsimile-(631) 694-1935).

2. Each bidder (the “Bidder” and collectively, the “Bidders”), as consequence of submitting a Bid for any Asset, shall be deemed to acknowledge: (a) that it is bound by these Bidding Procedures; (b) that it had an opportunity to inspect and examine the leased and/or owned property and to review all pertinent documents and information with respect to the Assets prior to making its offer and that each such Bidder relied solely on that review and upon its own investigation and inspection of the Assets in making its Bid; (c) that Bidder is not relying upon any written or oral statements, representations, or warranties of the Debtors, their agents or representatives. Documents relating to the Assets will be available for inspection prior to the Auction during regular business hours through Keen.

B. Reservation of Rights

3. After consultation with the Committee and with Chase, as Agent, the Debtors may, prior to the Auction, (i) enter into agreements for the disposition of one or more of the Assets, without further notice to any party, (ii) withdraw from sale any of the Assets prior to or during the Auction, and (iii) reject, in their sole discretion, any and all Bids for a particular Asset.

C. Required Bid Documents

4. All Bids must include the following documents (the “Required Bid Documents”):

(a) a written offer and bidder registration in the form attached hereto as Exhibit B for the purchase of one or more of the Assets that must include and separately allocate the amount being offered for each such Asset, including a separate allocation as to real property and personal property; such written offer must expressly state that the Bidder’s offer is irrevocable until the earlier to occur of: (i) the Closing (as defined herein) or (ii) thirty (30) days following the last date of the Auction, as adjourned;

(b) a certified check for the Deposit (as defined herein);

(c) Contract:

(i) for any leases: an executed and fully completed copy of the Assumption and Assignment Agreement, the form of which is attached hereto as Exhibit C; or in the case of a landlord bidding on its own lease, an executed and fully completed copy of the Lease Termination Agreement, the form of which is attached hereto as Exhibit D including, if applicable, provision for cash payment in the event the purchase price for such lease exceeds amount of such landlord’s credit bid;

(ii) for any mortgagee making a credit bid: an executed and fully completed copy of the Mortgagee Credit Bid Form attached hereto as Exhibit E, together with copies of all mortgages, notes, amendments and other documents evidencing the validity, extent and perfection of such mortgage claim, plus a representation by the mortgagee as to the current amount of principal and interest outstanding and submission of the back-up documentation evidencing such calculation;

(iii) offers for owned properties must include an executed and fully completed Real Estate Purchase Contract in the form annexed hereto as Exhibit F.

(d) with the exception of a landlord bidding on its own lease(s) or a mortgagee bidding on its own collateral, written evidence of a commitment for financing or other evidence of ability to consummate the transaction (such as a current audited financial statement or copies of Bidder's bank account statement for each of the three months preceding the Auction). Offers for leases must also contain evidence of adequate assurance of future performance, as contemplated by section 365 of the Bankruptcy Code; a landlord will be deemed to have satisfied this requirement with respect to a landlord bidding on its own Lease(s);

(e) any other information that the Debtors may reasonably request

5. All bids (including Bids, Qualified Bids (as defined below), and subsequent written and/or oral bids) shall remain open and irrevocable until the earlier to occur of: (i) the Closing (as defined herein), or (ii) thirty (30) days following the last date of the Auction, as adjourned.

D. Qualified Bids

6. Unless such requirement is waived by the Debtors, (a) ONLY BIDDERS THAT HAVE SUBMITTED QUALIFIED BIDS SHALL BE ELIGIBLE TO PARTICIPATE IN THE AUCTION; and (b) In order for a Bid to be a "Qualified Bid," a Bid shall:

(a) include each of the Required Bid Documents, executed and in form and substance acceptable to the Debtors;

(b) be a good faith, bona fide, offer to purchase one or more of the Assets ~~only~~;

(c) not be contingent on obtaining financing or due diligence;

(d) if a Bid for more than one Asset, allocate the portion of the purchase price to each Asset;

(e) be actually received by the Bid Deadline;

(f) demonstrate to the Debtors the Bidder's ability to consummate promptly the purchase of the Asset; for leases, demonstrate an ability to fulfill its obligations under the lease(s), including, without limitation, an ability to provide adequate assurance of future performance; and

- (g) be one of the three highest Bids per Asset or be within twenty percent (20%) of the highest Bid. This last requirement shall not be applicable to a landlord bidding on its own lease or to a Credit Bid by a mortgagee.

7. Keen will open the Bids on February 5, 2001 and will notify those parties who have submitted Qualified Bids by 11:00 a.m. on February 7, 2001.

E. Bidding by Landlords

8. A landlord bidding on its own lease(s) shall execute a Lease Termination Agreement and submit such executed agreement with its Bid. Pursuant to the Lease Termination Agreement, the landlord shall waive and release any and all claims it may have against the Debtors, including claims pursuant to Section 502(b)(6) of the Bankruptcy Code; except that landlords shall not be required to waive (a) third party claims that are covered by Debtor's insurance policies, to the extent Landlord agrees only to seek recovery up to the insured amount and only from the insurer, and (b) post-petition rent obligations. In addition, with respect to each lease, a landlord may only credit bid an amount that is mutually acceptable to the Debtors and such landlord or such amount as is determined by the Court. The landlord shall receive a dollar-for-dollar credit in the amount of the Credit Bid when such landlord bids for each Lease. Lease Termination Agreement(s) shall become effective only if the Landlord executing such Lease Termination Agreement is the Successful Bidder for its lease. ANY LANDLORD THAT DESIRES TO OBJECT TO THE PROCEDURE WITH RESPECT TO CREDIT BIDDING SET FORTH HEREIN MUST FILE AND SERVE A WRITTEN OBJECTION TO THE MOTION UPON GOLENBOCK, EISEMAN, ASSOR & BELL, 437 MADISON AVENUE, NEW YORK, NY 10022, ATTN: JONATHAN L. FLAXER, ESQ., IN

ACCORDANCE WITH APPLICABLE RULES SO AS TO BE ACTUALLY RECEIVED BY NO LATER THAN JANUARY 18, 2001 AT 5:00 P.M.

9. All landlords must serve upon the Debtors, c/o Family Golf Centers, Inc., 538 Broadhollow Road, Suite 410E, Melville, New York 11747, Attn: Philip J. Gund; (facsimile-(631) 694-1935 ON OR BEFORE January 29, 2001 at 3:00 p.m. (EST) a written statement containing a representation of the exact amount of arrears alleged to be owed under a lease, together with copies of all supporting documentation necessary to allow Debtors to determine the accuracy of the alleged arrears (the "Arrears Statement"). Landlords who fail to serve a complying Arrears Statement shall be deemed to have a \$0 balance due for arrears and shall not receive any cure payment upon the assumption and assignment of their leases.

F. Bidding by Mortgagees

10. Any holder of a mortgage bidding on its own collateral shall execute a Mortgagee Credit Bid Form (Exhibit E hereto) and submit such executed form with its Bid. Pursuant to the Mortgage Credit Bid Form, a mortgagee may elect to waive and release any and all claims it may have against the Debtors, or any portion thereof, in connection with a Bid on such mortgagee's collateral. A mortgagee may only credit bid an amount that is mutually acceptable to the Debtors and such mortgagee or such amount as is determined by the Court. The mortgagee shall receive a dollar-for-dollar credit in the amount of the Credit Bid when such mortgagee bids for each Lease.

ANY MORTGAGEE THAT DESIRES TO OBJECT TO THE PROCEDURE WITH RESPECT TO CREDIT BIDDING SET FORTH HEREIN MUST FILE AND SERVE A WRITTEN OBJECTION TO THE MOTION UPON GOLENBOCK, EISEMAN, ASSOR & BELL, 437 MADISON AVENUE, NEW YORK, NY 10022, ATTN: JONATHAN L. FLAXER, ESQ., IN

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ACCORDANCE WITH APPLICABLE RULES SO AS TO BE ACTUALLY RECEIVED BY NO LATER THAN JANUARY 18, 2001 AT 5:00 P.M.

11. The Mortgagee Credit Bid Form must be served upon the Debtors, c/o Family Golf Centers, Inc., 538 Broadhollow Road, Suite 410E, Melville, New York 11747, Attn: Philip J. Gund; (facsimile-(631) 694-1935 and Keen ON OR BEFORE February 5, 2001 at 3:00 p.m. (EST) and must contain a written statement containing a representation by the mortgagee of the exact amount of principal and interest which is alleged to be owed under the mortgagee's note and mortgage, together with copies of supporting documentation necessary to allow Debtors to determine the accuracy of the alleged indebtedness and copies of the applicable Note and Mortgage and any amendments thereto (the "Mortgage Indebtedness Statement"). Mortgage holders who fail to serve a complying Mortgage Indebtedness Statement shall be allowed to Credit Bid only in an amount agreed to by Debtors or as determined by this Court.

G. Deposit Requirement

12. Each Bidder shall tender a deposit equal to the greater of twenty-five thousand dollars (\$25,000) or ten percent (10%) of the Bid amount for each Asset on which the Bidder submits a Bid (the "Deposit"); provided, however, that a landlord or mortgagee shall only be required to tender a deposit to the extent the Bid amount exceeds such landlord's or mortgagee's credit bid. The Deposit shall be by certified check payable to Golenbock, Eiseman Assor & Bell, as counsel for the Debtors. For each Asset, Golenbock, Eiseman Assor & Bell shall hold, in escrow, the Deposit of the first highest and best Bidder ("Successful Bidder") at the Auction and the Deposit of the second highest and best Bidder (the "Back-up Bid") at the Auction until the earlier to occur of: (i) the Closing or (ii) thirty (30) days after the Auction. Golenbock, Eiseman, Assor & Bell shall return the deposits

of all other Bidders within five (5) business days of the conclusion of the Auction. Golenbock, Eiseman, Assor & Bell shall have no liability to any party in connection with its services with respect to Deposits except for willful misconduct or gross negligence.

13. In the event that the Debtors do not consummate a sale of their interest in an Asset with respect to which a Qualified Bid has been made, for any reason (other than the Bidder's failure to consummate a sale), the Debtors' sole obligation and liability shall be to refund the Deposit to the Bidder with respect to such Asset. The Debtors reserves the right to hold the Deposit of the Successful Bidders and each Back-up Bid per Asset until after the Closing on such Asset

14. No Asset shall be deemed to have been assumed and assigned by the Debtors and no Asset shall be deemed to have been sold pursuant to the procedures described herein unless and until the Court has approved such transaction at the Hearing and such proposed transaction is in fact consummated.

H. STEP TWO: The Auction: February 9, 2001

15. Following the receipt of Qualified Bids, the Debtors shall conduct an open auction with respect to some or all of the Assets. The Debtors shall hold the auction on February 9, 2001 at 9:00 a.m. at The Sheraton, 811 Seventh Avenue, New York, New York 10019. The Debtors reserve the right to change the location of the Auction. Only those Bidders who submit Qualified Bids will be considered at the Auction. ALL SALES SHALL BE SUBJECT TO APPROVAL OF THE COURT.

16. Except as required by paragraph 29 hereof Debtors shall determine in the exercise of their discretion and after consultation with Keen, Chase and the Committee, acceptable opening bids and subsequent bidding increments, which may be modified by the Debtors during the Auction.

17. The Debtors shall receive the highest and best bid at the Auction for each Asset with the intention of selling their respective interest in each Asset to the Successful Bidder(s). Formal acceptance of a Bid will not occur unless and until the Court enters an order approving and authorizing the Debtors to consummate the transaction with the Successful Bidder(s) or their respective designated assignee. Formal rejection of a bid by the Debtors will not occur unless and until (a) the Debtors expressly reject such bid in writing; or (ii) a Closing occurs with respect to the Asset which is the subject of such bid.

18. At the conclusion of the Auction, the Debtors will announce, for each of the Assets, which bid is the highest and best bid and which bid is the Back-up Bid. A Bidder that submits the highest and best bid (a “Successful Bidder”) for one or more Assets shall supplement its Deposit within two (2) business days of the Auction so that, to the extent necessary, such Deposit equals ten percent (10%) of the highest and best bid accepted by the Debtors at the Auction.

19. The Debtors reserve the right, following consultation with Chase and the Committee, to: (a) determine which offer, if any, for any or all of the Assets is the highest and best offer and the Back-Up Bid, and (b) reject at any time prior to entry of an order of the Court approving an offer, any offer which the Debtors, in their sole discretion, deem to be (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules or these Bidding Procedures, or (iii) contrary to the best interest of the Debtors, their estates and creditors. The Debtors will have no obligation to accept or submit for Court approval any Bid presented at the Auction except such Qualified Bids submitted by bidders which have been designated by the Debtors as Successful Bidder(s).

I. The Closing

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20. The sale of an Asset, including the assignment of a lease pursuant to an Assumption and Assignment Agreement, or the closing under a Lease Termination Agreement with a landlord, shall take place at Golenbock, Eiseman, Assor & Bell, 437 Madison Avenue, New York, New York, 10022 as soon as practicable, but no later than ten (10) days following the entry of an order by the Court approving the transaction with the Successful Bidder (the “Closing”). WITH RESPECT TO THE CLOSING, TIME OF PERFORMANCE BY THE SUCCESSFUL BIDDER IS OF THE ESSENCE.

21. The Order approving the sale transaction, the Assumption and Assignment Agreement or the Lease Termination Agreement, as the case may be, shall be final and effective immediately and shall not be stayed as provided in Bankruptcy Rule 6004(g).

22. Upon failure to consummate a sale of some or all of the Assets after the Hearing because of a breach or failure on the part of the Successful Bidder(s) with respect to such properties, the party making the Back-up Bid, as disclosed at the hearing with respect to some or all of such Assets, shall be deemed the Successful Bidder without further order of the Court, and shall proceed to Closing no later than ten (10) days following the date of default by the original successful Bidder. The Debtors shall be entitled to retain the Deposit of any Successful Bidder who fails to close because of a breach or failure by such Successful Bidder and such Deposit shall be deemed forfeited by such defaulting Successful Bidder and shall not be credited against the purchase price.

23. The balance of the purchase price shall be paid by the Successful Bidder by wire transfer or an endorsed bank or certified check at the Closing.

24. All adjustments to be made in connection with the Closing including, without limitation, adjustments, if any, for post-petition rent due under a lease, and/or payments on account

of the amount of security deposits owed to the Debtors by a Bidder (including a landlord that has acquired its own lease(s)) and other prepetition amounts due to the Debtors, shall be made as of midnight of the date immediately prior to the date of Closing (the "Adjustment Date"). Any adjustments attributable to escalation or pass-through charges which would be billed after the Adjustment Date shall be made based upon the most recent billing received by the Debtors for such charges. The Successful Bidder shall be liable for all obligations with respect to an Asset from the Adjustment Date forward and for all year-end adjustments for the calendar year 2001 and thereafter, and shall indemnify the Debtors with respect thereto and the Debtors shall be liable for all obligations accrued prior to the Adjustment Date, including all year-end adjustments for the calendar year 2000 and prior years. All adjustments due from the Debtors shall be payable from the sales proceeds of the applicable Sale Transaction.

25. At the Closing on the assumption and assignment of a lease, all undisputed cure amounts owed to a landlord shall be paid to the landlord and disputed amounts shall be reserved pending further Order of the Court resolving any such dispute or agreement of the parties. No dispute regarding cure amounts shall delay Closings regarding assumption and assignment of leases, and successful Bidders shall be required to consummate such Closings notwithstanding pending disputes regarding cure amounts.

J. Bid Protections/Break-Up Fee

26. The Debtors shall have the discretion (after consultation with Chase and the Committee) to grant a break-up fee to bidders who enter into a stalking horse contract. The break-up fee shall consist of a reimbursement to the initial offeror of all reasonable and actual out-of-pocket costs and expenses incurred by such initial offeror up to a maximum amount of the greater of three

percent (3%) of the purchase price set forth in such offeror's initial Bid or \$5,000 (the "Break-Up Fee").

27. The Break-Up Fee shall be paid only if (i) the Break-Up Fee was agreed to in writing by Debtors, (ii) Debtors fail to consummate the transaction proposed by the initial offeror as a result of Debtors' acceptance of a competing offer from a competing bidder and (iii) a closing for such competing offer actually occurs. The Break-Up Fee shall be paid solely from the proceeds of the competing offer upon closing.

28. Acceptance of a Break-Up Fee from the Debtors shall commit an initial offeror to provide Debtors with copies of title reports and other due diligence materials as and when the initial offeror receives such materials, which Debtors may share with competing offerors and other prospective bidders.

29. In addition, Debtors propose to establish a minimum overbid for the first competing offer at the Auction in an amount of the stalking horse's initial contract bid, or Bid, plus the amount of the Break-up Fee.

L. Miscellaneous Terms of Sale

30. Any sale, assignment or other disposition of each of the Assets shall be without representations or warranties of any kind, nature or description by the Debtors, their agents or representatives. Each of the Assets shall be transferred on an "as is" and "where is" basis.

31. All of the Debtors' right, title and interest in and to the Assets shall be assigned and sold, pursuant to sections 363(f) and (m) of the Bankruptcy Code, free and clear of all liens, claims, encumbrances and security interests, which shall attach to the net proceeds received by the Debtors

as a result of the sale with the same force and effect that they now have, subject to further order of the Court.

32. Unless otherwise agreed by the Debtors at the Auction, sales of any lease shall include personal property, inventory, fixtures, trade fixtures, or other furnishings or equipment located in the premises and owned by the Debtors.

33. Except to the extent of the applicability of section 1146(c) of the Bankruptcy Code, all sales, transfer and recording taxes, stamp taxes or similar taxes, if any, relating to the assignment of the Assets or the sale of real or personal property of the Debtors in connection therewith shall be the sole responsibility of the Successful Bidder and shall be paid to the Debtors at the Closing of each transaction.

34. The Debtors, at or before the Auction, may impose such other and additional terms and conditions as they determine to be in the best interests of the Debtors, their estates, their creditors and other parties interest.

35. Any and all disputes related to the Auction or the sale of any of the Assets shall be adjudicated solely by the Bankruptcy Court. The submission of a bid shall constitute an express consent to the exclusive jurisdiction of the Bankruptcy Court for all matters related to the Auction and/or the sale of any Asset.

Dated New York, New York
January 12, 2001

**RANDALL'S ISLAND FAMILY GOLF
CENTERS, INC., et. al.,**

By /s/ Philip J. Gund

Name: Philip J. Gund
Title: Chief Executive Officer and Chairman

GOLENBOCK, EISEMAN, ASSOR & BELL
Proposed Attorneys for Debtors and Debtors in Possession
437 Madison Avenue
New York, New York 10022
(212) 907-7300

By /s/ Jonathan L. Flaxer
Jonathan L. Flaxer (JF 7096)
A Member of the Firm